

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			1. CONTRACT ID CODE K		PAGE OF PAGES 1 3	
2. AMENDMENT/MODIFICATION NO. 0001		3. EFFECTIVE DATE March 17, 2005		4. REQUISITION/PURCHASE REQ. NO.		5. PROJECT NO. (If applicable)
6. ISSUED BY DEFENSE ENERGY SUPPORT CENTER ELECTRICITY BRANCH, INSTALLATION ENERGY 8725 JOHN J. KINGMAN ROAD, SUITE 4950 FT. BELVOIR, VA 22060-6222 FAX 703-767-8757 BUYER/SYMBOL – LISA KURTZ/DESC-APE PHONE - (703) 767-8532		CODE SCO600		7. ADMINISTERED BY (If other than Item 6) CODE		SCO600
8. NAME AND ADDRESS OF CONTRACTOR (NO., street,city,county,State,and ZIP Code)				9a. AMENDMENT OF SOLICITATION NO. SP0600-05-R-0403		
				9b. DATED (SEE ITEM 11) 4 MARCH 2005		
				10a. MODIFICATION OF CONTRACT/ORDER NO.		
				10b. DATED (SEE ITEM 13)		
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS						
<p>[X] The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers [] is extended*, [X] is not extended</p> <p>Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning <u>1</u> copies of the amendment;(b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.</p>						
12. ACCOUNTING AND APPROPRIATION DATA (If required)						
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.						
A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A. 12.05 CHANGES-FIXED PRICE (AUG 87)						
B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b)						
C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: FAR 43.01						
D. OTHER (Specify type of modification and authority)						
E. IMPORTANT: Contractor [] is not, [x] is required to sign this document and return <u>1</u> copies to the issuing office.						
13. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)						
SEE PAGE 2 OF 3						
Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.						
15A. NAME AND TITLE OF SIGNER (Type or print)				16A. NAME OF CONTRACTING OFFICER JAMES V. SHILLINGFORD		
15B. NAME OF CONTRACTOR/OFFEROR BY _____ (Signature of person authorized to sign)		15C. DATE SIGNED		16B. UNITED STATES OF AMERICA BY _____ (Signature of Contracting Officer)		16C. DATE SIGNED

1. The Delivery Period is hereby changed
FROM: 5 years beginning in May 2005 and ending in April 2010
TO: A Base period of 36 months, from May 2005 through April 2008, with the option to extend for two 12 month periods, from May 2008 through April 2009 and May 2009 through April 2010.
2. The following utility is hereby added to the table on page 5 for New York: Long Island Power Authority.
3. Part I, Section 4. Tailored paragraphs of FAR Clause 52.212-4 Contract Terms & Conditions. Subparagraph (l) (7) is hereby changed FROM: 'Applicable to Fermi National Lab (for retail block purchase option only)'
TO: 'Applicable to retail block purchase option only'

Under the same clause Subparagraph (l) (8) is hereby added as follows:

(8) APPLICABLE FOR NASA JOHNSON SPACE CENTER ONLY: In the event of a termination for convenience, the Government shall pay the contractor the Termination Value, if positive, calculated by the following formula:

$$A = ((B - C) * D) + ((E - F) * G)$$

Where:

A = Termination Value

B = Award Price for the 7/24 Block

C = Forward Market Bid Price for the 7/24 Block, defined herein

D = Remaining Contract Quantity for the 7/24 Block

E = Award Price for the 5/16 Block

F = Forward Market Bid Price for the 5/16 Block, defined herein

G = Remaining Contract Quantity for the 5/16 Block

- (i) If the Termination Value on the date of termination is negative, the contractor shall not be entitled to any payment.
- (ii) The Forward Market Bid Price for the 7/24 Block shall be defined as the market price per MWh for a 7/24 15 MWh/hr block of energy for the relevant delivery location, please insert the relevant delivery location i.e. PJM East, PJM West, ERCOT, etc. in the space provided (), for a term equal to the remaining term of the contract. The Forward Market Price will be determined by the contractor in a commercially reasonable manner, which may include polling energy brokers on the date of termination. The Government shall have the right to reasonably audit Forward Market Price data obtained by the contractor.
- (iii) The Forward Market Bid Price for the 5/16 Block shall be defined as the market price per MWh for a 5/16 50 MWh/hr block of On-Peak (5x16) energy for the relevant delivery location, please insert the relevant delivery location i.e. PJM East, PJM West, ERCOT, etc. in the space provided (), for a term equal to the remaining term of the contract. The Forward Market Price will be determined by the contractor in a commercially reasonable manner, which may include polling energy brokers on the date of termination. The Government shall have the right to reasonably audit Forward Market Price data obtained by the contractor.
- (iv) In the event of a termination for convenience, the Government's liability shall be limited to the Termination Value calculated in accordance with the provisions of this clause.

4. The following two clauses are hereby added to the solicitation under Part I as follows:

13. LOCATIONAL MARGINAL PRICE -- MARKET-BASED TARIFF -- FIXED CAPACITY (ELECTRICITY)

The total amount charged by the Contractor (for accounts listed in Attachment III-LMP) each month shall equal the sum of the following four components, with the exception of Princeton Plasma Physics Laboratory (PPPL)*:

(a) **Energy.** For each hour of the month, the Government shall pay the Contractor the product of the Real-Time Locational Marginal Price (LMP) (subject to the terms in paragraph (b) of this clause) for the PJM node through which the account is served and the metered load of the account increased for line losses to the same PJM node.

(b) **Capacity.** For each day of the month, the Government shall pay the Contractor the product of the capacity price and the account's Capacity Obligation. The capacity price shall be firm-fixed-price. The account's Capacity Obligation shall equal the portion of the Contractor's PJM Capacity Obligation attributable to the account.

(c) **Transmission.** The Government shall pay the Contractor the product of the account's Transmission Obligation and the zonal rate for Network Transmission Service specified in the PJM Open Access Transmission Tariff. The Transmission Obligation shall equal the account's load coincident with the transmission zone's peak during the 12 months ending October 31st of the previous calendar year.

(d) **Ancillary Services and Supply Service Fee.** The Government shall pay the Contractor the product of a fixed fee and the account's total energy consumption in that month. Payment of this fee shall compensate the Contractor for all services performed, as well as the cost of PJM ancillary services and any other costs not specifically addressed by the Energy, Capacity, or Transmission components described in this section. The price of the fixed fee shall remain constant throughout the contract term.

***Total Indexed Electric Cost (PPPL).** The total amount charged each month by the Contractor shall be the sum of Item 1 and Item 4 (as defined above) less adjustment for any energy purchases made subject to Attachment III. Such adjustments will be made to the calculation of the Energy component charge by subtracting from the hourly metered load the Base Quantity defined by Attachment III. No such adjustments may reduce the hourly metered load to less than zero.

Indices. In the event that the PJM LMP or any other index upon which any price is determined is either no longer published or is substantially altered in derivation or application (including, but not limited to, the elimination of price caps), the parties shall agree upon a replacement index. If the parties fail to agree on an appropriate substitute index, the matter shall be resolved in accordance with paragraph (d), Disputes, of the CONTRACT TERMS AND CONDITIONS – COMMERCIAL ITEMS clause of the contract.

(DESC 52.216-9FBD)
B803 (DESC JUL 2003)

14. OPTION TO EXTEND THE TERM OF THE CONTRACT

(a) The Government may extend the term of this contract by written notice to the Contractor within 60 days, **PROVIDED**, that the Government shall give the Contractor a preliminary written notice of its intent to extend at least 60 days before the contract expires. The preliminary notice does not commit the Government to an extension.

(b) If the Government exercises this option, the extended contract shall be considered to include this option clause.

(c) The total duration of this contract, including the exercise of any options under this clause, shall not exceed 5 years (April 2010) .

(FAR 52.217-9)
I209.07 (MAR 2000)